



Frank Capital Partners LLC

**Frank Value Fund**

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FRNKX, FNKCX, FNKIX

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**Second Quarter, 2011**

To our fellow shareholders,

The Frank Value Fund Investor Class returned 12.31% in Q2 2011 versus 6.02% for the S&P 500 Total Return Index. Please refer to the back of this letter for more detailed performance information.

Our YTD Return is #4 out of 817 funds in our category. We are even more proud of the fact that our three-year return is in the top 5%, as we focus on long-term results instead of short-term. Three years ago was just before Lehman Brothers failed, but the Frank Value Fund not only protected capital in this period, but also grew it significantly faster than the S&P 500. Amazingly, despite these great returns, the increase in our portfolio's stock prices could not keep up with the increase in the fundamentals of its businesses! This means we still have a very low portfolio-wide valuation, which we believe is a great indicator for superior long-term returns. Like hamburger chain Red Robin's bottomless steak fries, this is a gift that keeps on giving, but we view company growth as a much healthier choice! In terms of EBIT, the portfolio is still yielding 13% on a trailing twelve month basis relative to its enterprise value – and this appetizing statistic does not account for any future growth in EBIT.

Macro concerns continued to dominate the conversation in the second quarter, with European sovereign default fears and a sputtering US economy contributing to a mini-correction in June. Investors, market-watchers, and retail buyers are vigorously searching for the next Lehman-style house-of-cards collapse. Mediocre US numbers and unending European hand-wringing are certainly cause for concern, but our focus on quality and low-valuation show the current offering prices of numerous securities already discount heartily for future difficulties. Therefore, we viewed June weakness as a long-term buying opportunity, especially considering the lack of investor participation in US equities.

According to the Investment Company Institute, \$17 billion fled domestic equity mutual funds in the month of June, turning 2011 into the fifth year in a row of net outflows since 2006. From 2007 to last week, there has been about \$342 billion of net outflows from domestic equity mutual funds! Compare that to an \$817 billion inflow for bond funds and the bias for fixed income is obvious. While some flows into US stocks elude the ICI numbers through ETF investing, we believe there is still a significant under-allocation to US stocks. This preference for fixed income, as well as investing fads in emerging market exchanges are both quite short-sighted. Shareholders of the Frank Value Fund are participating in the great growth stories of countries like Brazil while only paying a fraction of the multiples of emerging market-traded stocks (while also getting the great transparency of US accounting standards.)

Our companies refuse to wait for investors to notice their low valuations. Frank Value Fund portfolio businesses are taking advantage of their low PEs with aggressive stock buybacks. One of our top-ten holdings, Dell Inc., has existing and planned buy backs for over 10% of its outstanding shares in this calendar year alone! Clearly, the bar is set so low for future growth that improved macro numbers will eventually lead to net inflows into US equities and higher valuations. Until then, our businesses are increasing their future potential returns by removing shares from the market at bargain prices. Intelligent, opportunistic buy backs are great for the long-term shareholder, and as always, we believe patience is of utmost importance in successful equity investing.

Thank you for your continued investments and support!

Very truly yours,

Brian Frank

Frank Value Fund Lead Portfolio Manager

Performance as of 6/30/11	Average Annualized Total Returns					Total Return
	YTD %	1 Year %	3 Year %	5 Year %	Since 7/21/04 %	Since 7/21/04 %
Investor Class (FRNKX)	12.31	37.98	8.20	6.36	6.87	58.63
Class C (FNKCX)	11.84	37.23*	7.45*	5.61*	6.12*	N/A
Institutional Class (FNKIX)	12.43	38.23*	8.45*	6.61*	7.12*	N/A
S&P 500 Total Return	6.02	30.69	3.33	2.94	4.72	37.78

\* Represents an estimate based on the performance of the fund's oldest share class, adjusted for fees.

The Investor Class of the Frank Value Fund paid a dividend of \$0.29 on December 20, 2005, a dividend of \$0.58 on December 27, 2006, a dividend of \$1.41 on December 27, 2007, and a dividend of \$0.83 on December 29, 2008. The Class C Share paid a dividend of \$0.0042 on December 29, 2010. The Institutional Share Class paid a dividend of \$0.0274 on December 29, 2010. Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. You may obtain performance data current to the most recent month-end by calling the Fund at 1-800-869-1679 or visiting our website at [www.frankfunds.com](http://www.frankfunds.com). Returns include reinvestment of any dividends and capital gain distributions.

Non-FDIC insured. May lose value. No bank guarantee. The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the Fund, and it may be obtained by calling 1-800-869-1679. Please read it carefully before you invest or send money.

This publication does not constitute an offer or solicitation of any transaction in any securities. Any recommendation contained herein may not be suitable for all investors. Information contained in this publication has been obtained from sources we believe to be reliable, but cannot be guaranteed.

The information in this portfolio manager letter represents the opinions of the individual portfolio managers and is not intended to be a forecast of future events, a guarantee of future results or investment advice. Also, please note that any discussion of the Fund's holdings, the Fund's performance, and the portfolio managers' views are as of June 30, 2011, and are subject to change without notice.